

BYLAWS

of

St. Margaret’s Episcopal Church, Palm Desert, California,
a California Nonprofit Religious Corporation

Pursuant to the provisions of California law applicable to nonprofit religious corporations and the Articles of Incorporation of St. Margaret’s Episcopal Church which were duly filed with the Secretary of State of the State of California, on February 28, 1967 and amended on July 7, 1976 and December 29, 1980 (the “Articles”), the following are adopted as the Bylaws of this corporation (all Bylaws heretofore adopted by this corporation are hereby superseded as of the effective date of these Bylaws):

ARTICLE I.

Corporation Part of Episcopal Church

This corporation, which is referred to hereinafter in these Bylaws as the “Parish” or the “Church,” is an integral, subordinate unit and constituent part of The Episcopal Diocese of San Diego and of The Protestant Episcopal Church in the United States of America. The Constitution and Canons of those organizations now or hereafter in effect, are incorporated herein by reference where applicable.

The Parish has established a day school, whose name is St. Margaret’s Episcopal School (“SMES”) and may establish a nursery, and other such institutions in which not only the Christian faith, but also subjects of secular education will be taught. Such Parish institutions may adopt bylaws for their operation and management as long as said bylaws do not conflict with these Bylaws and are not in conflict with the rights and liabilities of the Parish Rector and the Vestry. All such bylaws and any amendments thereto shall be subject to review and approval by the Vestry.

SMES shall be governed by the SMES School Board, which shall consist of members selected and recommended by SMES to the Vestry by the SMES nominating committee. The members of the School Board shall be elected to serve three year terms, which will expire pursuant to the SMES Bylaws. The Senior Warden shall present the names of new School Board members to the Parish Members in attendance each year at the annual Meeting.

ARTICLE II.

Office

Section 1. PRINCIPAL OFFICE. The Parish’s principal office is fixed and located at 47535 Highway 74, Palm Desert, Riverside County, California.

ARTICLE III.

Members

Section 1. QUALIFICATIONS. The qualifications of Members and the terms of admission to membership in this Parish are those which are prescribed by the Diocesan Canons. Specifically, all

46 persons 16 years of age and older who have received the Sacrament of Holy Baptism with water in the
47 Name of Father, and of the Son, and of the Holy Spirit, whether in this Church or in another Christian
48 Church, and whose Baptism have been duly recorded in this Church, are Members thereof. All
49 Members shall have the same rights, privileges, preferences, restrictions and conditions.
50

51 Nothing in this Section 1 shall be construed as limiting the right of the Parish to refer to persons
52 associated with it as "Members" even though such persons are not Members as defined above, and no
53 such reference shall constitute anyone a Member, within the meaning of Section 5056 of the California
54 Nonprofit Corporation Law or the foregoing provisions of this Section 1, unless such person shall have
55 qualified for membership as set forth above.
56

57 Section 2. QUALIFICATIONS FOR VOTING. All Members of the Parish, who for a period
58 of 60 days prior to the meeting at which a vote of Members is to be taken, have been faithful in
59 corporate worship, working, praying, and giving for the spread of the Kingdom of God, are to be
60 considered electors. Each Member in good standing shall be entitled to one vote on each matter
61 submitted to a vote of the Members.
62

63 Section 3. TRANSFER OF MEMBERSHIP. No Member may transfer a membership or any
64 right arising therefrom.
65

66 Section 4. TERMINATION OF MEMBERSHIP. A Member may resign from membership at
67 any time. Ecclesiastical censure pronounced against any Member of this Church, according to the
68 discipline of the Protestant Episcopal Church in the United States of America, shall, ipso facto,
69 terminate the membership of such person in this Parish. Such discipline is reflected, among other
70 factors, in the rubrics of the Service of Holy Communion and Title I, Canon 16, Section 6 of the
71 National Canons.
72

73 Section 5. PLACE OF MEETINGS. All meetings of the Members shall be held in the sanctuary
74 of the Parish or at such other convenient place, preferably within the Coachella Valley, as may be
75 designated for that purpose by the Rector and the Vestry.
76

77 Section 6. ANNUAL MEETINGS OF THE MEMBERS. Annual Meetings of the Members,
78 prescribed by the Diocesan Canons and commonly referred to as the Annual Meeting of the Parish, shall
79 be held on such day and at such hour and place as may be designated by action of the Vestry; provided
80 however, that such date shall be as soon after the first day of January of each year as the Vestry may
81 decide. At the Annual Meeting at which a quorum is present, a slate of nominees for Vestry positions to
82 be filled shall be presented to the Members for vote.
83

84 Section 7. SPECIAL MEETINGS. Special meetings of Members for any lawful purpose may
85 be called at any time by the Rector; by the Senior and Junior Wardens acting together; by the majority of
86 Vestry members; or upon the written request of ten percent or more of Members qualified to vote on the
87 date of record.
88

89 Section 8. NOTICE OF MEETINGS. Meetings shall be called, noticed and held as may be
90 ordered by the Vestry. Such notice shall include at least one public announcement of the time and place
91 of the meeting given at regularly scheduled services of the Parish on the two Sundays preceding the day

92 of the meeting. Longer notice or notice by additional means may be given if deemed by the Vestry to be
93 necessary. Notice of a Special Meeting of Members also shall state the purpose or purposes of the
94 meeting and the general nature of any proposal to be acted upon. No business not referred to in the
95 notice of a special meeting may be conducted at that meeting.

96
97 Section 9. QUORUM. Sixty Members shall constitute a quorum at any meeting of Members. If
98 a quorum is present, the affirmative vote of a majority of the Members present, entitled to vote, and
99 voting on any matter shall be an act of the Members. The Members present at a duly called and noticed
100 meeting at which a quorum is present may continue to do business and take appropriate actions until
101 adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than a
102 quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members
103 required to constitute a quorum.

104
105 Section 10. ADJOURNED MEETINGS. Any meeting of Members may be adjourned from time
106 to time by the vote of a majority of the Members present at such meeting, but in the absence of a quorum
107 (except as provided in Section 9 of this Article III), no other business may be transacted at such meeting.
108

109 It shall not be necessary to give notice of the time and place of an adjourned meeting of
110 Members or of the business to be transacted at such meeting, other than by announcement at the meeting
111 at which such adjournment is taken; provided, however, when a Members' meeting is adjourned for
112 more than eight days or, if after adjournment a new record date is fixed for the adjourned meeting,
113 notice of the adjourned meeting shall be given in accordance with the requirements of Section 8 of this
114 Article III.

115
116 Section 11. VOTING. NO CUMULATIVE VOTING. Elections shall be by written ballot,
117 distributed and collected at the meeting. Each Member in attendance shall be entitled to one vote,
118 except that in an election of members of the Vestry, each Member shall have one vote for each Vestry
119 member to be elected. In an election of Vestry members, the candidates receiving the highest number of
120 votes are elected. A Member may not cumulate votes for the election of Vestry members or for any
121 other action.

122
123 Section 12. RECTOR'S STATUS. PRESIDING OFFICER. The Rector of the Parish shall be a
124 Member of this Parish with right to vote. The Rector shall preside at all meetings of the Parish Members
125 and of the Vestry. In case there is no Rector, or in the absence or illness of the Rector, the Senior
126 Warden shall preside at any such meetings; if the Senior Warden is not present, the Junior Warden shall
127 preside. At a meeting of the Members where the Rector and the Wardens are not present, but a quorum
128 of Members is present, the Members present shall select one of their Members as presiding officer.
129

130 Section 13. RECORD DATE. The record date for the determination of Members, entitled to
131 receive notice of a meeting of Members, shall be as of the close of business on the business day next
132 preceding the day on which notice is given or, if notice is waived in writing, in accordance with Section
133 9411(d) of the Corporation Code, at the close of business on the business day before the day on which
134 the meeting is held.

135
136 Individuals who are Members of the Parish on the day of a Members' meeting and who are
137 otherwise eligible to vote, shall be entitled to vote at the meeting; in the case of an adjourned meeting,

138 individuals who are Members on the day of the adjourned meeting and who are otherwise eligible to
139 vote at the adjourned meeting shall be entitled to vote at the meeting.

140
141 Section 14. PROXIES AND ABSENTEE BALLOTS. Voting rights may not be exercised by
142 proxies or through absentee ballots.

143
144 Section 15. INSPECTORS OF ELECTION. In advance of any meeting of Members, the Vestry
145 may appoint inspectors of election to act at such meeting and any adjournment thereof. If inspectors of
146 election are not so appointed, or if any persons so appointed fail to appear or refuse to act, the presiding
147 officer of such meeting may, and on the request of any Member shall, make such appointment at the
148 meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request
149 of one or more Members, the majority of Members represented at the meeting shall determine whether
150 one or three inspectors are to be appointed. An inspector of election may not be a voting Member of the
151 Parish at such meeting.

152
153 The duties of such inspectors shall be as set forth in Section 5615(b) of the Corporations Code
154 and shall include: determining the number of memberships outstanding; determining the number of
155 Members at the meeting; determining the existence of a quorum; receiving votes, ballots or consents;
156 hearing and determining all challenges and questions in any way arising in connection with the right to
157 vote; counting and tabulating all votes or consents; determining when the polls shall close; determining
158 the result; and doing such acts as may be proper to conduct the election or vote with fairness to all
159 Members. If there are three inspectors of election, the decision, act or certificate of a majority is
160 effective in all respects as the decision.

161
162 Section 16. CONDUCT OF MEETING. The presiding officer of meetings of the Membership
163 shall conduct each such meeting in a fair and orderly manner, but shall not be obligated to follow any
164 technical, formal or parliamentary rules or principles of procedure. The presiding officer's rulings on
165 procedural matters shall be conclusive and binding, unless at the time of a ruling a request for a vote is
166 duly made by a Member, entitled to vote, in which case the decision of a majority of the Membership
167 shall be conclusive and binding. Without limiting the generality of the foregoing, the presiding officer
168 shall have all of the powers usually vested in the chair of a meeting.

169
170 ARTICLE IV.

171 Vestry

172
173 Section 1. BOARD OF DIRECTORS KNOWN AS VESTRY. The Directors of St. Margaret's
174 Episcopal Church, collectively, shall be known as, and shall constitute, the Vestry of the Parish. The
175 Rector and the Wardens shall be members of the Vestry and shall be entitled to participate in and to vote
176 upon all matters brought before the Vestry.

177
178 Section 2. ELIGIBILITY FOR ELECTION TO VESTRY. Eligibility of a Member for election
179 to the Vestry is governed by the Diocesan Canons, as stated in Article III, Sections 1 and 2 of these
180 Bylaws, except that a member of the Vestry shall be at least 18 years of age and shall be subject to any
181 temporary ineligibility of a person for reelection as a member of the Vestry as provided by Section 3 of
182 this Article IV.

184 Section 3. ORGANIZATION OF THE VESTRY. The number of members of the Vestry,
185 including therein the Wardens, but excluding the Rector, shall be no fewer than twelve (12) nor more
186 than fifteen (15) members, the exact number within such range to be designated from time to time by the
187 Vestry. The maximum term of a Vestry member shall be three years. Under special circumstances, a
188 member's term may be extended for one year. The term of office of the Rector, as presiding officer, and
189 member with vote at Member and Vestry meetings, shall be coterminous with the Rector's incumbency
190 as such. The Rector may not vote on any matter coming before the Vestry if such vote would create a
191 tie. Alternatively, the Rector shall vote to break a tie vote among the other members of the Vestry. In
192 the event of a vacancy in the position of Rector of the Parish, the offices of Senior and Junior Warden,
193 Clerk and Treasurer shall be appointed as provided by the Diocesan Canons.

194
195 After a Vestry member has served a full term of three years, one year must elapse before he or she shall
196 be eligible for reelection to the Vestry, it being understood that the period between the Annual Meeting
197 at which a term shall have expired and the next Annual Meeting of the Members constitutes one year
198 even if such period is somewhat less than 365 days because of the respective dates of the meetings. A
199 person elected to the Vestry to fill a vacancy shall be eligible at the next Annual Meeting for reelection
200 to the Vestry for a full term unless the vacancy is for an unexpired term of more than one year.

201
202 Section 4. POWERS AND DUTIES OF VESTRY. Subject to the canonical rights of the Bishop
203 of this Diocese and the Rector, and to the California Nonprofit Corporation Law, the Nonprofit
204 Religious Corporation Law, and these Bylaws, as to actions to be authorized or approved by the
205 Members, the powers of this Parish shall be exercised by or under the authority of the Vestry. The
206 temporal business and affairs of this Parish also shall be controlled by the Vestry. Under National
207 Canon 1.17.8 every member of the Vestry has a fiduciary duty to the Episcopal Church. The powers of
208 the Vestry are limited by the Constitution and Canons of this Diocese and the Protestant Episcopal
209 Church of the United State of America. Actions taken by the Vestry must not be in conflict with those
210 authorities.

211
212 Section 5. STANDARDS OF CARE – RELIANCE ON INFORMATION FURNISHED.
213

214 A Vestry member shall perform the duties of a director, including duties as a member of any
215 committee of the Vestry upon which he or she may serve, in good faith, in a manner such Vestry
216 member believes to be in the best interests of the Parish and with such care, including reasonable
217 inquiry, as is appropriate under the circumstances.

218
219 (a) in performing the duties of a director, a Vestry member shall be entitled to rely on
220 information, opinions, reports, or statements, including financial statements and other financial data, in
221 each case prepared or presented by:

222
223 (1) one or more officers or employees of the Parish whom the Vestry member
224 believes to be reliable and competent in the matters presented;

225
226 (2) counsel, independent accountants, or other persons as to material which the
227 Vestry member believes to be within such person's professional or expert competence;
228

229 (3) a committee of the Vestry upon which the Vestry member does not serve, as to
230 matters within its designated authority, which committee the Vestry member believes to merit
231 confidence; or

232
233 (4) religious authorities and ministers, priests, or other persons whose position or
234 duties in the religious organization the Vestry member believes justify reliance and confidence and
235 whom the Vestry member believes to be reliable and competent in the matters presented, as long as, in
236 any such case, the Vestry member acts in good faith, after reasonable inquiry when the need therefore is
237 indicated by the circumstances, and without knowledge that would cause such reliance to be
238 unwarranted.

239
240 (b) a Vestry member who performs the duties of a director in accordance with
241 subdivision (a) above shall have no liability based upon any alleged failure to discharge his or her
242 obligations as a Vestry member, including, without limiting the generality of the foregoing, any actions
243 or omissions which exceed or defeat any purpose to which the Parish, or assets held by it, may be
244 dedicated.

245
246 Section 6. VACANCIES ON THE VESTRY. Except as provided in Section 9224(a) of the
247 California Nonprofit Religious Corporation Law, any Vestry member other than the Rector may resign
248 effective upon giving written notice to the Clerk of the Parish, or to one of the Wardens of the Parish,
249 unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is to
250 be effective at a future time, a successor to the resigning Vestry member may be chosen before such
251 time, to take office when the resignation becomes effective. Resignation of the Rector and vacancies in
252 the Rectorate are governed by the National and Diocesan Canons.

253
254 (a) vacancies on the Vestry, except for vacancies that exist as a result of a removal of
255 a Member of the Vestry by the Members of this Parish and except for a vacancy in the Rectorate, may
256 be filled by a majority of the remaining Vestry Members, although less than a quorum, or by a sole
257 remaining Member of the Vestry, and each Vestry Member so elected shall hold office until the
258 expiration of the term of the replaced Vestry Member and until a successor has been elected and
259 qualified;

260
261 (b) a vacancy or vacancies on the Vestry shall be deemed to exist in case of the death,
262 resignation or removal of any Vestry Member, or in the case of an increase in the authorized number of
263 Vestry Members or, if the Members of the Parish fail, at any Annual or Special Meeting of Members, at
264 which any Member or Members of the Vestry are elected, to elect the full authorized number of Vestry
265 Members to be elected at such meeting;

266
267 (c) in the event that any Vestry Member has been absent/unexcused from three
268 consecutive, regular meetings of the Vestry, the seat of the Vestry Member, with the advice and consent
269 of the Rector, may be declared vacant by the Vestry and a qualified Member of the Parish shall be
270 elected to fill the vacancy. If the Parish does not have a Rector, the advice and consent of the Wardens
271 shall be obtained;

272
273 (d) the Members of the Vestry may declare vacant the office of a Vestry Member
274 who has been declared of unsound mind by a final order of a court, or has been convicted of a felony;

275
276 (e) subject to applicable provisions of Article III of these Bylaws regarding meetings
277 of Members, the Members of this Parish may elect a member or members of the Vestry at any time to
278 fill any vacancy or vacancies that have not been filled by the Vestry within a reasonable time after such
279 vacancy(ies) occurred; and

280
281 (f) no reduction of the authorized number of Vestry Members shall have the effect of
282 removing any Vestry Member prior to the expiration of his or her term of office.

283
284 Section 7. PLACE OF MEETING. Regular and Special Meetings of the Vestry shall be held on
285 the premises of the Parish or at any place within the Coachella Valley that has been designated by the
286 Vestry.

287
288 Section 8. REGULAR MEETINGS OF THE VESTRY. Following each Annual Meeting of
289 Members of the Parish, the Vestry shall hold a meeting for the purpose of appointment of a Junior
290 Warden, election of officers and transaction of other business for which notice has been duly given.
291 Regular meetings of the Vestry shall be held on the day and time adopted by the Vestry. Notice of such
292 meetings shall be given to the Vestry Members within a reasonable time prior to the meetings.

293
294 Section 9. SPECIAL MEETINGS OF THE VESTRY. Special meetings of the Vestry for any
295 purpose or purposes may be called by the Rector, either Warden or any three Members of the Vestry:

296
297 (a) special meetings of the Vestry shall be held upon four days notice by first-class
298 mail or 24 hours notice given personally or by telephone, electronic mail, telegraph, telex or other
299 similar means of communication. Any such notice shall be addressed or delivered to each Vestry
300 Member at such Member's address as it is shown upon the records of the Parish or as may have been
301 given to the Parish by the Member for purposes of notice or, if such address is not shown on such
302 records or is not readily ascertainable, at the Parish; and

303
304 (b) notice by mail shall be deemed to have been given at the time a written notice is
305 deposited by or on behalf of the sender in the United States mails, postage prepaid. Any other form of
306 written notice shall be deemed to have been given at the time it is personally delivered to the recipient or
307 is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice
308 by electronic means, to the recipient. An oral notice shall be deemed to have been given at the time it is
309 communicated, in person or by telephone or wireless, to the recipient or to a person at the office or
310 residence of the recipient who the person giving the notice has reason to believe will promptly
311 communicate it to the recipient.

312
313 Section 10. QUORUM. A simple majority of the authorized number of Vestry Members
314 constitutes a quorum at a meeting of the Vestry for the transaction of business, except to adjourn, as
315 provided in Section 13 of this Article IV. Every act by a simple majority of the Vestry Members present
316 at a meeting duly held at which a quorum is present shall be an act of the Vestry. A meeting at which a
317 quorum is initially present may continue to transact business, notwithstanding the withdrawal of Vestry
318 Members, if any action taken is approved by at least a simple majority of the required quorum for such
319 meeting.

320

321 Section 11. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE. Members of
322 the Vestry may participate in a Vestry meeting through use of conference telephone or similar
323 communications equipment, as though the missing Member(s) are physically present at the meeting, so
324 long as all Vestry Members participating in such meeting can hear one another.
325

326 Section 12. WAIVER OF NOTICE. Notice of a meeting need not be given to any Vestry
327 Member who signs a waiver of notice or a written consent to holding the meeting or an approval of the
328 minutes thereof, whether before or after the meeting, or who attends the meeting without protesting prior
329 thereto or at its commencement the lack of notice to such Member. All such waivers, consents and
330 approvals shall be filed with the Parish records or made a part of the minutes of the meetings.
331

332 Section 13. ADJOURNMENTS. A majority of Vestry Members present, whether or not a
333 quorum is present, may adjourn a Vestry meeting to another time and place. Notice of the time and
334 place of holding an adjourned meeting need not be given to absent Vestry Members if the time and place
335 were fixed at the meeting that was adjourned.
336

337 Section 14. ACTION WITHOUT MEETING. Any action required or permitted to be taken by
338 the Vestry may be taken without a meeting if all Members of the Vestry shall individually or
339 collectively consent in writing to that action. Such written consent(s) shall have the same force and
340 effect as a unanimous vote of the Vestry and shall be filed with the minutes of the proceedings of the
341 Vestry.
342

343 Section 15. REMOVAL OF MEMBERS OF THE VESTRY. Any one or more Members of the
344 Vestry (other than the Rector) may be removed from office with or without cause by the affirmative vote
345 of three-fourths (3/4) of the persons entitled to vote at any Special Meeting of the Vestry Members,
346 provided that the notice of the meeting specifies such removal(s) as a purpose of the meeting and
347 identifies the Member or Members proposed to be removed. If one or more Members of the Vestry are
348 so removed, new Members of the Vestry may be elected at the same meeting to fill the vacancy(ies)
349 resulting from such removal(s).
350

351 ARTICLE V.
352 Committees
353

354 Section 1. CREATION OF COMMITTEES. The Rector and the Senior Warden with approval
355 of a majority of the Vestry may appoint one or more committees, each consisting of one or more
356 Members of the Vestry and one or more Members of the Parish who are not Vestry Members, to serve at
357 the pleasure of the Vestry and may delegate to such committee(s) the authority of the Vestry, except
358 with respect to:
359

- 360 (a) the approval of any action for which the California Nonprofit Religious
361 Corporation Law requires approval of the Members of the Parish or approval of a simple majority of all
362 Parish Members;
363
364 (b) the filling of vacancies on the Vestry;
365
366 (c) the fixing of compensation for serving on the Vestry or on any committee;

- 367
368 (d) the amendment or repeal of Bylaws or the adoption of new Bylaws;
369
370 (e) the amendment or repeal of any resolution of the Vestry which by its express
371 terms is not so amendable or repealable;
372
373 (f) the approval of an annual Parish budget and revisions of such budget, as prepared
374 by the Chief Financial Officer; or
375
376 (g) the election of a new Rector.
377

378 Any such committee may be designated as an Executive Committee, Finance Committee or such
379 other name as the Vestry shall specify and shall exercise the authority of the Vestry in its area of
380 responsibility. The Vestry may appoint alternate members of any such committee who may act in place
381 of an absent member of the committee.
382

383 The Vestry shall have the authority to prescribe the manner in which proceedings of a Vestry
384 committee shall be conducted. In the absence of any such prescription, a committee shall have the
385 authority to prescribe the manner in which its proceedings shall be conducted. Any action by a
386 committee which goes beyond the scope of its assigned area of responsibility shall be considered
387 advisory and subject to approval by the Vestry.
388

389 Section 2. NOMINATING COMMITTEE. At least 90 days prior to each Annual Meeting, the
390 Senior Warden shall appoint a Nominating Committee, which shall consist of five members, at least one
391 of whom is a Vestry Member whose term will expire at the Annual Meeting, and at least one other
392 Member of the Parish who is not a member of the Vestry and who would not be a candidate for election
393 as a Vestry Member at the upcoming Annual Meeting. Such other Parish Member must be approved by
394 the Vestry. Nominating Committee members must be at least 18 years of age and may not be an
395 employee, or the spouse or partner of an employee, of the Parish. No member may serve on the
396 Nominating Committee for more than two consecutive years. The Nominating Committee shall select
397 and submit to the Vestry a slate of Parish Members who are eligible and willing to serve as Vestry
398 Members to take the place of those Vestry Members whose terms will expire at the upcoming Annual
399 Meeting. Four weeks prior to the Annual Meeting, the Vestry shall submit the slate to the Membership
400 of the Parish. Nominees with the largest numbers of votes, equal to the number of Vestry Members to
401 be elected, shall be elected as Members of the Vestry.
402

403 Other individuals may be nominated from the Parish Membership at large, provided the proposed names
404 have been submitted in writing to the Clerk of the Vestry at least three weeks prior to the Annual
405 Meeting. No nominations may be made "from the floor" at the Annual Meeting.
406

407 Section 3. FINANCE COMMITTEE. The Rector with approval of a majority of the Vestry shall
408 annually appoint a Finance Committee, consisting of at least five members and at least two of whom
409 shall be Members of the Vestry. The Senior Warden, the Treasurer and the Controller shall be Members
410 of the Committee, and the Rector shall be an ex-officio member. The Treasurer shall be the Chair of the
411 Committee. Vacancies on the Committee shall be filled by the Rector with approval of the Vestry. The
412 Committee, along with the Parish's Controller and her/his staff, shall be an integral part of the

413 development of the Parish's annual budget and shall monitor the Parish's balance sheet and monthly
414 income and expense statements. The Finance Committee will present a proposed Parish budget for
415 information to Members prior to the Annual Meeting.

416
417 The Committee also shall supervise the investment of the funds of the Parish and report to the Vestry on
418 the status of investments at least once every six months. Any transactions involving the Parish's assets
419 and investment thereof, actual or proposed, shall be reported to the Vestry for ratification.

420
421 Section 4. EXECUTIVE COMMITTEE. There shall be an Executive Committee consisting of
422 the Rector, the Senior Warden and the Junior Warden. The Rector may also appoint the Treasurer to
423 serve on the Executive Committee. The Executive Committee may exercise the powers of the Vestry in
424 the management of the business of the Parish between meetings of the Vestry. Actions of the Executive
425 Committee shall be reported and recorded in the official records of the next Regular or Special Meeting
426 of the Vestry.

427
428 Section 5. AUDIT COMMITTEE. The Vestry shall appoint the members of the Audit
429 Committee. The Committee may include persons who are not members of the Vestry but may not
430 appoint any St. Margaret's Episcopal Church staff as members of the Committee. The members of the
431 Finance Committee will constitute less than one-half of the membership of the Audit Committee and the
432 Chair of the Audit Committee may not serve on the Finance Committee. The Committee shall oversee
433 the independent audit process for the Parish and report its findings to the Vestry. In addition, the
434 Committee shall make recommendation to the Vestry about the retention and termination of the
435 independent auditor, negotiate the independent auditor's compensation on an annual basis, and confer
436 with the independent auditor to satisfy the Committee members that the financial affairs of the Parish are
437 in order and that the Parish's financial statements fairly report and reasonably set forth the assets and
438 liabilities and the income and expenses of the Parish and disclose the accounting bases used in their
439 preparation. In addition, the Committee shall determine whether to accept the audit and assure that any
440 audit or non-audit services performed by the auditing firm conform with standards for auditor
441 independence as defined in Title 2, Canon 10 of the Canons of the Diocese of San Diego.

442
443 ARTICLE VI.

444 Officers

445
446 Section 1. OFFICERS. The officers of the Parish shall be those prescribed by the Diocesan
447 Canons and these Bylaws, that is to say: the Rector, who is President of the Parish; the Senior Warden,
448 who shall be appointed by the Rector and who shall be First Vice President of the Parish and a voting
449 member of the Vestry; the Junior Warden, who shall be appointed by the Vestry and who shall be the
450 Second Vice President of the Parish and a voting member of the Vestry; the Clerk, who shall be the
451 Secretary; and the Treasurer, who shall be the chief financial officer. The Clerk, if an employee of the
452 Parish, need not be a Member of the Parish or the Vestry. The Treasurer, at the discretion of the Vestry,
453 need not be a member of the Vestry. Unless otherwise provided in these Bylaws or by resolution of the
454 Vestry, all officers, except the Clerk, must be Members of the Parish. Except for the Rector, as
455 President of the Parish, and the Senior Warden, as First Vice President of the Parish, all officers shall be
456 chosen by the Vestry and serve at the pleasure of the Vestry.

457

458 Section 2. SUBORDINATE OFFICERS. The Vestry may elect, and may empower the Rector
459 to appoint, such other officers with such titles and duties as shall be determined by the Vestry and as the
460 business of the Parish may require, each of whom shall have such authority and perform such duties as
461 are provided in these Bylaws or as the Vestry from time to time may determine in the resolutions
462 establishing such offices.

463
464 Section 3. REMOVAL AND RESIGNATION. Any officer or employee, except the Rector,
465 assisting clergy and the Senior Warden, may be removed from office, except from the Vestry, by a
466 majority of the entire Vestry at the time in office, at any regular or Special Meeting of the Vestry.
467 Subordinate employees may be removed by the Vestry or, subject to the powers of the Vestry as to
468 temporal matters, by the Rector. The Senior Warden may be removed from that office by the Rector but
469 not from the Vestry. Assisting clergy may be removed by the Rector.

470
471 Any officer may resign at any time by giving written notice to the Vestry or to the Rector or to
472 the Clerk, except that, in accordance with the National Canons, a Rector may not resign without the
473 consent of the Vestry. Any such resignation shall take effect at the date of the receipt of such notice or
474 at a later date specified therein, and, unless otherwise specified, the acceptance of such resignation shall
475 not be necessary to make it effective.

476
477 Section 4. VACANCIES. A vacancy in any office referred to in Section 1 of this Article other
478 than that of Rector or Senior Warden, because of death, resignation, removal, disqualification or any
479 other cause shall be filled by election or appointment by the Vestry then in office. The office of Rector
480 may be filled only in accordance with the provisions of the National and Diocesan Canons.

481
482 Section 5. RECTOR. The Rector, as President, shall be the chief executive officer of the Parish
483 and shall as to secular matters, subject to such control as the Vestry may have under the Civil Law, have
484 direction and control of the business and officers and employees of the corporation. The Vestry shall
485 not infringe upon the ecclesiastical or other peculiar rights, privileges or prerogatives of the Rector. The
486 Rector shall be, ex officio, a member of all of the standing committees or regular committees of the
487 Parish and, subject to the powers of the Vestry as to temporal matters, shall have the power to employ
488 subordinate employees. Appointment of assisting clergy shall be within the control of the Rector, but all
489 matters pertaining to compensation or other temporalities shall be under the control of the Vestry. The
490 Rector shall be called by the Vestry in consultation with the Bishop or Ecclesiastical Authority and
491 elected by an affirmative vote of a minimum of two thirds of the Vestry. Neither the Clerk nor the
492 Treasurer may serve concurrently as the Rector.

493
494 Section 6. WARDENS. In the absence or disability of the Rector, the Wardens, in the order of
495 their rank (i.e., first the Senior Warden and then the Junior Warden), shall perform the secular duties of
496 the Rector, and, when so acting, shall have all of the secular powers, and be subject to all the restrictions
497 on the Rector. The Wardens shall have such other powers and perform such other duties as, from time
498 to time, may be prescribed for them respectively by the Vestry or Bylaws.

499
500 Section 7. CLERK. The Clerk shall keep at the office of the Parish, a book containing minutes
501 of all meetings of the Vestry and the Membership showing: the time and place of such meetings;
502 whether regular or Special; if Special, how authorized; the notice thereof given; the names of those
503 present at meetings of the Vestry; and the proceedings of each of such meetings. When written notice is

504 required, the Clerk shall give notice of all meetings of the Membership and the Vestry, which notice
505 shall include the matters to be considered at such meetings. The Clerk shall keep the seal of the Parish
506 in safe custody and shall have such other powers and perform such other duties as may be prescribed by
507 the Rector, the Vestry or these Bylaws. The Clerk may not serve concurrently as the Rector.
508

509 Section 8. TREASURER. The Treasurer shall keep and maintain adequate and correct accounts
510 of the properties and business transactions of the Parish, including pledges and other assets, liabilities,
511 receipts, disbursements and accounts in general (or see that such records are kept and maintained by
512 Parish staff members who are responsible to him/her for such records). The Treasurer shall deposit all
513 monies and other valuables in the name and to the credit of the Parish with such depository as may be
514 designated from time to time by the Vestry. The Treasurer shall disburse the funds of the Parish as may
515 be ordered by the Vestry; shall render to the Rector and the Vestry whenever they reasonably request it,
516 an account of all transactions as Treasurer and of the financial condition of the Parish and shall have
517 such other powers and perform such other duties as may be prescribed by the Vestry.
518

519 The Parish shall obtain fidelity bond coverage of the Treasurer and all other individuals who
520 handle the Parish's monies and other assets. Such bonds shall be in amounts sufficient to protect the
521 Parish against fidelity losses that the Parish might reasonably expect to experience from the mishandling
522 of Parish assets.
523

524 The procedures for deposit and withdrawal of monies and other assets shall be as set forth in
525 resolutions which shall be adopted from time to time by the Vestry.
526

527 ARTICLE VII.
528 Other Provisions
529

530 Section 1. CORPORATE RESTRICTIONS. Notwithstanding anything else herein contained, in
531 the case of purely temporal and secular matters, as distinct from matters partly or wholly ecclesiastical,
532 the laws of the State of California including the Nonprofit Corporation Law and the Nonprofit Religious
533 Corporation Law as contained in the Corporations Code, is, and shall be, binding upon this Parish. The
534 use of the Church buildings and grounds, however, is deemed to be an ecclesiastical matter, and is under
535 the jurisdiction of the Rector.
536

537 Section 2. PARISH RECORDS. The Parish shall maintain adequate and correct books and
538 records of account; minutes of the proceedings of the Members, the Vestry and committees thereof; and
539 a record of Members giving their names and addresses. Those minutes and other books and records
540 shall be kept either in written form or in any other form capable of being converted into clearly legible
541 tangible form or in any combination of the foregoing. All of such books and records and accounts shall
542 be kept at the room or place designated as the principal office of the Parish, as fixed by the Vestry, and
543 proper provisions shall be made for the safekeeping thereof from fire, the elements, destruction or access
544 by unauthorized persons and other dangers. All books and records of the Parish, to the extent required
545 by the California Corporations Code, shall be open to inspection by Members of the Parish and the
546 Vestry, in the manner provided for in that Code and these Bylaws.
547

548 Section 3. CERTIFICATION AND INSPECTION OF BYLAWS. The original or a correct
549 copy of these Bylaws, as amended or otherwise altered to date, certified to by the Clerk, shall be open to

550 inspection by a Member of the Parish at all reasonable times upon five business days prior written
551 request to the Clerk. Inasmuch as these Bylaws adopt and make the National and Diocesan
552 Constitutions and Canons a part of these Bylaws, these provisions as to certification and inspection shall
553 apply to those copies of the same mentioned in Article I of these Bylaws.
554

555 Section 4. ENDORSEMENT OF DOCUMENTS; CONTRACTS. Subject to the provisions of
556 applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument
557 in writing and any assignment or endorsement thereof executed or entered into between the Parish and
558 any other person, when signed by the Rector or any Warden and the Secretary, any Assistant Secretary,
559 the Treasurer or any Assistant Treasurer of the Parish or the Head of School shall be valid and binding
560 on the Parish in the absence of actual knowledge on the part of the other person that the signing officers
561 had no authority to execute the same. Any such instruments may be signed by any other person or
562 persons and in such manner as from time to time shall be determined by the Vestry, and, unless so
563 authorized by the Vestry, no officer, agent or employee of the Parish shall have any power or authority
564 to bind the Parish by any contract or engagement or to pledge its credit or to render it liable for any
565 purpose or amount.
566

567 Section 5. INDEBTEDNESS. No indebtedness (except ordinary amounts due on open accounts
568 for goods and service in the ordinary course of the Parish's business or as included in any budget or
569 program approved by the Vestry), nor any sale or conveyance of property of the Parish involving an
570 amount in excess of \$1,000, nor any encumbrance of property of the Parish, shall be incurred, made or
571 entered into, or be valid or binding against the Parish, unless each and all of the following requirements
572 have been satisfied:
573

574 (a) A resolution to incur the indebtedness or make the sale, conveyance or
575 encumbrance must be adopted at a meeting of the Vestry at which a majority of the authorized number
576 of Vestry Members is present and vote in favor thereof.
577

578 (b) Such resolution must specify exactly, if it relates to a proposed indebtedness, the
579 amount and terms of such proposed indebtedness and the purpose for which it is to be incurred; or, if it
580 relates to a sale, conveyance or mortgage, the terms of the same.
581

582 (c) Such resolution must be fully set forth in the minutes of such meeting, along with
583 the names of the Vestry Members who vote for or against the resolution or who abstain from voting on
584 the resolution.
585

586 (d) When required by National or Diocesan Canon, the consent of the Bishop and the
587 Standing Committee of the Diocese shall first be obtained in writing. Without limiting the generality of
588 the foregoing, such consents shall be obtained as required by Title II, Section 3.09 of the Diocesan
589 Canons, which Canon reads as follows:
590

591 "Should any Parish desire to mortgage or otherwise encumber, to sell, exchange or otherwise
592 dispose of all or any of its real property, or to acquire, except by gift, devise, or bequest, any real
593 property subject to an existing encumbrance, or to assume an existing encumbrance, written
594 consent of the Bishop and Standing Committee must be obtained prior to any such sale,
595 exchange, mortgage or other encumbrance, disposition or acquisition."

596
597 Section 6. OWNERSHIP OF PROPERTY. The Parish’s assets are irrevocably dedicated to the
598 exclusive use by and benefit of the mission and ministry of the Protestant Episcopal Church of the
599 United States of America. If the Parish is ever dissolved, no part of its net earnings, properties, or assets
600 shall inure to the benefit of any private person or individual, or to any director or officer of the Parish.
601 All real and personal property held by or for the benefit of the Parish, shall be held in trust for the Parish
602 and the Diocese of San Diego, or its successor, such entities to be the co-trustees of the trust. The
603 existence of such trust, however, shall not limit the power and authority of the Parish otherwise existing
604 over such property so long as the Parish remains a part of, and subject to, the Church and the
605 Constitution and Canons of the Diocese of San Diego. On the dissolution or winding up of the Parish,
606 its assets remaining after payment of or provision for payment of all debts and liabilities, shall be
607 distributed to the Diocese of San Diego, or its successor.
608

609 Section 7. CONSTRUCTION AND DEFINITIONS. Unless the context otherwise requires, the
610 general provisions, rules of construction and definitions contained in the General Provision and
611 Definitions of the California Nonprofit Corporation Law and in the California Nonprofit Religious
612 Corporation Law shall govern the construction of these Bylaws.
613

614 ARTICLE VIII.
615 Corporate Seal
616

617 The Parish shall have a corporate seal, which shall be circular or elliptical in form and shall have
618 inscribed thereon the name of the Parish, the date of its incorporation, and the word “California.”
619

620 ARTICLE IX.
621 Amendment
622

623 Section 1. AMENDMENT. These Bylaws may be amended at any regular Annual Meeting of
624 the Members or at a Special Meeting of the Members called for the purpose of acting on proposed
625 amendment(s). Amendments to these Bylaws may not be contrary to or inconsistent with the Articles of
626 Incorporation of this Parish, or with the Constitutions and Canons of the National and Diocesan
627 Churches.
628

629 Section 2. NOTICE. Notice of a proposed amendment of these Bylaws must first be given at a
630 prior regular meeting of the Vestry or by special notice to all Members of the Vestry, setting forth the
631 substance and reasons for the amendment. Notice of any proposed amendment to be presented at a
632 meeting of the Membership, shall be given at the same time as the notice of the meeting.
633

634 ARTICLE X.
635 Indemnification
636

637 Section 1. DEFINITIONS. For the purposes of this Article X, “agent” means any person who is
638 or was a director, officer, employee or other agent of the Parish, or is or was serving at the request of the
639 Parish as an agent of another enterprise. “Proceeding” means any threatened, pending or completed
640 action or proceeding, whether civil, criminal, administrative or investigative; and “expenses” includes

641 without limitation attorneys fees and any expenses of establishing a right to indemnification under
642 Sections 4 or 5(c) of this Article X.

643
644 Section 2. INDEMNIFICATION IN ACTIONS BY THIRD PARTIES. The Parish shall have
645 power to indemnify any person who was or is a party or is threatened to be made a party to any
646 proceeding (other than an action by or in the right of the Parish to procure a judgment in its favor, an
647 action brought under Section 9243 of the California Nonprofit Religious Corporation Law, or an action
648 brought by the Attorney General pursuant to Section 9230 of the California Nonprofit Religious
649 Corporation Law) by reason of the fact that such person is or was an agent of the Parish, against
650 expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in
651 connection with such proceeding if such person acted in good faith and in a manner such person
652 believed to be in the best interests of the Parish, and, in the case of a criminal proceeding, had no
653 reasonable cause to believe the conduct of such person was unlawful. The termination of any
654 proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its
655 equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a
656 manner which the person reasonably believed to be in the best interests of the Parish or that the person
657 had reasonable cause to believe that the person's conduct was unlawful.

658
659 Section 3. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE PARISH.
660 The Parish shall have power to indemnify any person who was or is a party or is threatened to be made a
661 party to any threatened, pending or completed action by or in the right of the Parish, or brought under
662 Section 9243 of the California Nonprofit Religious Corporation Law, or brought by the Attorney
663 General pursuant to Section 9230 of the California Nonprofit Religious Corporation Law, to procure a
664 judgment in its favor by reason of the fact that such person is or was an agent of the Parish, against
665 expenses actually and reasonably incurred by such person in connection with the defense or settlement
666 of such action if such person acted in good faith, in a manner such person believed to be in the best
667 interests of the Parish and with such care, including reasonable inquiry, as an ordinarily prudent person
668 in a like position would use under similar circumstances. No indemnification shall be made under this
669 Section 3:

670
671 (a) In respect of any claim, issue or matter as to which such person shall have been
672 adjudged to be liable to the Parish in the performance of such person's duty to the Parish, unless and
673 only to the extent that the court in which such proceeding is or was pending shall determine upon
674 application that, in view of all the circumstances of the case, such person is fairly and reasonably
675 entitled to indemnity for the expenses which such court shall determine;

676
677 (b) Of amounts paid in settling or otherwise disposing of a threatened or pending
678 action, with or without court approval; or

679
680 (c) Of expenses incurred in defending a threatened or pending action which is settled
681 or otherwise disposed of without court approval unless it is settled with the approval of the Attorney
682 General.

683
684 Section 4. INDEMNIFICATION AGAINST EXPENSES. To the extent that an agent of the
685 Parish has been successful on the merits in defense of any proceeding referred to in Sections 2 or 3 of

686 this Article X or in defense of any claim, issue or matter therein, the agent shall be indemnified against
687 expenses actually and reasonably incurred by the agent in connection therewith.
688

689 Section 5. REQUIRED DETERMINATION. Except as provided in Section 4 of this Article X,
690 any indemnification under this Article X shall be made by the Parish only if authorized in the specific
691 case, upon a determination that indemnification of the agent is proper in the circumstances because the
692 agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article X, by either:
693

694 (a) A majority vote of a quorum consisting of Vestry members who are not parties to
695 such proceeding; or
696

697 (b) Approval of the Members with the persons to be indemnified not being entitled to
698 vote thereon; or
699

700 (c) The court in which such proceeding is or was pending upon application made by
701 the Parish or the agent or the attorney or other person rendering services in connection with the defense,
702 whether or not such application by the agent, attorney or other person is opposed by the Parish.
703

704 Section 6. ADVANCE OF EXPENSES. Expenses incurred in defending any proceeding may
705 be advanced by the Parish prior to the final disposition of such proceeding upon receipt of an
706 undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately
707 that the agent is entitled to be indemnified as authorized in this Article X.
708

709 Section 7. OTHER INDEMNIFICATION. No provision made by the Parish to indemnify its
710 Vestry members or officers, or its subsidiary's directors or officers, for the defense of any proceeding,
711 whether contained in the Articles, Bylaws, resolution of Members or Vestry members, agreement or
712 otherwise, shall be valid unless consistent with this Article X. Nothing contained in this Article X shall
713 affect any right to indemnification to which persons other than such Vestry members and officers may
714 be entitled by contract or otherwise.
715

716 Section 8. FORMS OF INDEMNIFICATION NOT PERMITTED. No indemnification or
717 advance shall be made under this Article X, except as provided in Sections 4 or 5(c), in any
718 circumstance where it appears that:
719

720 (a) It would be inconsistent with a provision of the Articles, Bylaws, resolution of the
721 Members or an agreement in effect at the time of the accrual of the alleged cause of action asserted in
722 the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or
723 otherwise limits indemnification; or
724

725 (b) It would be inconsistent with any condition expressly imposed by a court in
726 approving a settlement.
727

728 Section 9. INSURANCE. The Parish shall have the power to purchase and maintain insurance
729 on behalf of any agent of the Parish against any liability asserted against or incurred by the agent in such
730 capacity or arising out of the agent's status as such whether or not the Parish would have the power to
731 indemnify the agent against such liability under the provisions of this Article X; provided, however, that

732 the Parish shall have no power to purchase and maintain such insurance to indemnify any agent of the
733 Parish for a violation of Section 9243 of the California Nonprofit Religious Corporation Law.

734
735 Section 10. NONAPPLICABILITY TO FIDUCIARIES OF EMPLOYEE BENEFIT PLANS.
736 This Article X does not apply to any proceeding against any trustee, investment manager or other
737 fiduciary of an employee benefit plan in such person's capacity as such, even though such person may
738 also be an agent as defined in Section 1 of this Article X. The Parish shall have power to indemnify
739 such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section
740 207 of the California General Corporation Law.

741
742 ARTICLE XI.
743 Emergency Provisions
744

745 Section 1. GENERAL. The provisions of this Article XI shall be operative only during a
746 national emergency declared by the President of the United States or the person performing the
747 President's functions, or in the event of a nuclear, atomic or other attack on the United States or a
748 disaster making it impossible or impracticable for the Parish to conduct its business without recourse to
749 the provisions of this Article XI. Said provisions in such event shall override all other Bylaws of the
750 Parish in conflict with any provisions of the Article XI, and shall remain operative so long as it remains
751 impossible or impracticable to continue the business of the Parish otherwise, but thereafter shall be
752 inoperative; provided that all actions taken in good faith pursuant to such provisions shall thereafter
753 remain in full force and effect unless and until revoked by action taken pursuant to the provisions of the
754 Bylaws other than those contained in this Article XI.

755
756 Section 2. UNAVAILABLE VESTRY MEMBERS. All members of the Vestry who are not
757 available to perform their duties as such by reason of physical or mental incapacity or for any other
758 reason or whose whereabouts are unknown shall automatically cease to be Vestry members, with like
759 effect as if such persons had resigned from the Vestry, as long as such unavailability continues.

760
761 Section 3. AUTHORIZED NUMBER OF VESTRY MEMBERS. The authorized number of
762 Vestry members shall be the number of such members remaining after eliminating those who have
763 ceased to be Vestry members pursuant to Section 2 of this Article.

764
765 Section 4. QUORUM. The number of Vestry members necessary to constitute a quorum shall be
766 the number bearing the same proportional relationship to the numbers of Vestry members remaining
767 pursuant to Section 2 of this Article as the quorum established in Article IV, Section 9 bears to the
768 authorized number of Vestry members set forth in Article IV, Section 3.

769
770 Section 5. VESTRY MEMBERS BECOMING AVAILABLE. Any person who has ceased to be
771 a Vestry member pursuant to the provisions of Section 2 of this Article and who thereafter becomes
772 available to serve as a Vestry member shall automatically resume exercising the powers and performing
773 the duties of a Vestry member unless the term of office of such person has expired in accordance with its
774 original terms and a successor has been selected and qualified.

775
776 THE UNDERSIGNED, being the Clerk and Secretary of the Parish known as St. Margaret's
777 Episcopal Church, Palm Desert, California, a California religious nonprofit corporation, do hereby

Draft 10A, Approved by the Vestry, November 13, 2007/January 30, 2008

778 certify the foregoing to be the Bylaws of the Parish, and that the same were adopted at “the Annual
779 Meeting of the Parish Membership held on _____, 200_,”

780 IN WITNESS WHEREOF, I have hereunto set my hand the ____ day of _____, in the year
781 of our Lord 200__.

782

783

784

785

786

Clerk and Secretary

787

788

789

790

791

792

793

794

CERTIFICATE OF CLERK AND SECRETARY
ST. MARGARET'S EPISCOPAL CHURCH, PALM DESERT, CALIFORNIA

795

796

a California Nonprofit Corporation

797

798

799 I hereby certify that I am the duly elected and acting Clerk and Secretary of the Parish and that
800 the foregoing Bylaws, comprising 19 pages, constitute the Bylaws of the Parish as duly adopted at a
801 meeting of the Vestry held on _____, 2008.

802

803

804

805

806

807

Clerk and Secretary